CITY OF BRANDON

Consolidated Financial Statements

For the Year Ended December 31, 2025

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the City of Brandon and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Council of the City met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

MNP LLP, as the City's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's Report is addressed to the Mayor and Members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the City in accordance with Canadian Public Sector Accounting Standards.

David Wardrop
City Manager

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the
CITY OF BRANDON

Opinion

We have audited the consolidated financial statements of the City of Brandon (the "City"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, remeasurement gains (losses), change in net debt, cash flows and supporting schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2025, and the results of its consolidated operations, remeasurement gains (losses), change in net debt, cash flows and supporting schedules for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

MNP LLP

INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

MNP LLP

August 12, 2026
Brandon, Manitoba

Chartered Professional Accountants

CITY OF BRANDON
Consolidated Financial Statements
For the Year Ended December 31, 2025

CITY OF BRANDON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and temporary investments (Note 4)	**$ 5,466,588**	$ 8,631,990
Amounts receivable (Note 5)	**32,776,546**	21,764,908
Portfolio investments (Note 6)	**25,429,604**	24,918,337
Real estate properties held for sale	**1,532,908**	1,463,076
	$ 65,205,646	$ 56,778,311
LIABILITIES		
Bank indebtedness (Note 8)	**$ 5,808,719**	$ -
Accounts payable and accrued liabilities (Note 9)	**25,755,869**	19,149,680
Severance and sick leave payable	**7,024,698**	6,530,452
Unearned revenue	**15,993,853**	18,315,124
Asset retirement obligations (Note 10)	**15,551,654**	14,931,769
Long-term debt (Note 12)	**45,017,439**	35,227,059
Other liabilities	**1,616,529**	1,528,453
	116,768,761	95,682,537
NET DEBT	**$ (51,563,115)**	$ (38,904,226)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**$504,047,313**	$463,097,372
Inventories (Note 7)	**1,186,693**	1,341,125
Prepaid expenses	**971,982**	804,752
	506,205,988	465,243,249
ACCUMULATED SURPLUS (Note 17)	**$454,642,873**	$426,339,023

COMMITMENTS AND CONTINGENCIES (Notes 13 and 14)

Approved on behalf of council:

Mayor

Councillor

The accompanying notes are an integral part of these consolidated financial statements

CITY OF BRANDON
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2025

	2025 Budget (Note 16)	2025 Actual	2024 Actual
REVENUE			
Property taxes	$ 53,772,695	$ 53,980,787	$ 50,532,178
Grants in lieu of taxation	2,915,712	2,915,712	2,682,411
User fees	23,284,541	25,643,827	22,943,570
Permits, licences and fines	4,094,471	4,155,814	4,322,638
Investment income	117,391	698,375	2,736,246
Other revenue	675,733	2,407,142	2,471,962
Water and sewer	37,471,884	46,313,127	36,613,394
Grants - Province of Manitoba	25,612,014	31,253,088	34,404,405
Grants - other	9,328,191	8,851,749	13,684,608
Total revenue (Schedules 2, 4 and 5)	157,272,632	176,219,621	170,391,412
EXPENSES			
General government services	10,733,441	11,983,148	11,060,462
Protective services	47,741,280	45,607,824	42,131,129
Transportation services	22,687,048	23,056,034	21,895,145
Environmental health services	6,780,851	6,606,507	6,332,256
Public health and welfare services	806,020	789,813	807,332
Regional planning and development	7,476,200	5,492,625	7,387,094
Resource conservation and industrial development	1,182,789	869,543	776,395
Recreation and cultural services	21,289,609	20,942,884	18,873,911
Water and sewer services	33,443,175	32,567,393	30,694,784
Total expenses (Schedules 3, 4 and 5)	152,140,413	147,915,771	139,958,508
ANNUAL SURPLUS	$ 5,132,219	28,303,850	30,432,904
ACCUMULATED SURPLUS, BEGINNING OF YEAR		426,339,023	395,906,119
ACCUMULATED SURPLUS, END OF YEAR		$ 454,642,873	$ 426,339,023

The accompanying notes are an integral part of these consolidated financial statements

CITY OF BRANDON
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)
For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	**$ -**	$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	**-**	-
Foreign exchange	**-**	-
Derivatives	**-**	-
	-	-
Amounts reclassified to the statement of operations:		
Portfolio investments	**-**	-
Foreign exchange	**-**	-
Derivatives	**-**	-
	-	-
NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR	**-**	-
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	**$ -**	$ -

The accompanying notes are an integral part of these consolidated financial statements

CITY OF BRANDON
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended December 31, 2025

	2025 Budget (Note 16)	**2025 Actual**	2024 Actual
ANNUAL SURPLUS	**$ 5,132,219**	**$ 28,303,850**	$ 30,432,904
Acquisition of tangible capital assets	**(113,533,484)**	**(62,200,462)**	(53,771,843)
Amortization of tangible capital assets	**20,899,164**	**20,899,164**	19,479,409
Loss (Gain) on sale of tangible capital assets	**-**	**(206,420)**	17,488
Proceeds on sale of tangible capital assets	**-**	**557,777**	392,815
Decrease (increase) in inventories	**-**	**154,432**	(188,209)
Increase in prepaid expenses	**-**	**(167,230)**	(161,242)
	(92,634,320)	**(40,962,739)**	(34,231,582)
CHANGE IN NET DEBT	**$ (87,502,101)**	**(12,658,889)**	(3,798,678)
NET DEBT, BEGINNING OF YEAR		**(38,904,226)**	(35,105,548)
NET DEBT, END OF YEAR		**$ (51,563,115)**	$ (38,904,226)

The accompanying notes are an integral part of these consolidated financial statements

CITY OF BRANDON
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	2025	2024
OPERATING TRANSACTIONS		
Annual surplus	**$ 28,303,850**	$ 30,432,904
Changes in non-cash items:		
Amounts receivable	**(11,011,638)**	(2,552,879)
Inventories	**154,432**	(188,209)
Prepaid expenses	**(167,230)**	(161,242)
Real estate properties	**(70,000)**	-
Accounts payable and accrued liabilities	**6,606,189**	3,469,580
Severance and sick leave payable	**494,246**	301,013
Unearned revenue	**(2,321,271)**	(292,987)
Other liabilities	**88,076**	(43,990)
Loss on real estate properties held for sale	**167**	36,088
Loss (Gain) on sale of tangible capital asset	**(206,420)**	17,488
Accretion	**619,885**	703,088
Amortization	**20,899,164**	19,479,409
Cash provided by operating transactions	**43,389,450**	51,200,263
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**557,777**	392,815
Cash used to acquire tangible capital assets	**(62,200,462)**	(53,771,843)
Cash provided by (applied to) capital transactions	**(61,642,685)**	(53,379,028)
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	**1**	25,284
Purchase of portfolio investments	**(511,267)**	(1,719,979)
Cash provided by (applied to) investing transactions	**(511,266)**	(1,694,695)
FINANCING TRANSACTIONS		
Proceeds of long-term debt	**13,500,000**	-
Debt repayment	**(3,709,620)**	(3,571,318)
Cash provided by (applied to) financing transactions	**9,790,380**	(3,571,318)
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	**(8,974,121)**	(7,444,778)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	**8,631,990**	16,076,768
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	**$ (342,131)**	$ 8,631,990
CASH CONSISTS OF:		
Cash and temporary investments	**$ 5,466,588**	$ 8,631,990
Bank indebtedness	**(5,808,719)**	-
	$ (342,131)	$ 8,631,990
SUPPLEMENTARY INFORMATION:		
Interest received	**698,375**	2,629,834
Interest paid	**1,958,820**	1,490,414

The accompanying notes are an integral part of these consolidated financial statements

1. Status of the City of Brandon

The incorporated City of Brandon is a City that was formed in 1882 pursuant to The Municipal Act. The City provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The City owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Change in Accounting Policy

a) Adoption of Lessee Accounting for Operating Leases of Tangible Capital Assets (Amendments to PSG-2)

In February 2025, the Public Sector Accounting Board (PSAB) issued amendments to Public Sector Guideline 2 Leased Tangible Capital Assets (PSG-2) to enhance clarity and ensure alignment with the current Public Sector Accounting (PSA) Handbook framework. The amendments include:

- Removal of outdated cross-reference in decision tree in PSG-2 to Section 3065 in former Part V of the Handbook, pre-changeover accounting standards, and renumber the decision tree to Appendix A (formerly Appendix B); and
- Add guidance to set out minimal requirements for lessee accounting for operating leases of tangible capital assets.

The guidance in PSG-2 is taken from Section 3065 in former Part V of the Handbook, pre-changeover accounting standards. These changes do not comprise a change in practice and became effective immediately when they were published.

3. Significant accounting policies

The consolidated financial statements have been prepared in accordance with public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

a) Reporting entity

The consolidated financial statements include the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the City. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the City. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the City. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organization is:

Brandon Downtown Development Corporation

The City has several partnership agreements in place, and as such, consistent with Canadian Public Sector Accounting Standards for government partnerships, the following local agencies, boards and commissions are accounted for on a proportionate consolidation basis whereby the City's pro-rata share of each of the assets, liabilities, revenue and expenses is combined on a line by line basis in the consolidated financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Western Manitoba Centennial Auditorium (50%) (2024 - 50%)
Keystone Agricultural & Recreational Centre (50%) (2024 - 50%)
Western Manitoba Regional Library (81%) (2024 - 81%)

The Keystone Agricultural & Recreational Centre has a July 31st year end.

The taxation with respect to the operations of the school divisions is not reflected in the City surplus of these consolidated financial statements.

Trust funds and their related operations administered by the City are not consolidated in these consolidated financial statements.

b) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

3. Significant accounting policies (continued)

c) Cash and temporary investments

Cash and temporary investments include short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

d) Portfolio investments

Portfolio investments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method.

Portfolio investments denominated in a foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at December 31. Changes in the value of portfolio investments due to foreign currency changes are recorded in the Consolidated Statement of Remeasurement Gains (Losses) until the investments are sold.

Investment income on portfolio investments, denominated in a foreign currency, are translated to Canadian dollar equivalents at the exchange rate in effect at the date of the transaction.

e) Real estate properties held for sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for sale will be sold outside the reporting entity within one year of the statement of financial position date.

f) Asset retirement obligations

Asset retirement obligations reflect the legal obligations arising from the retirement of the City's tangible capital assets, and are recognized when:

- there is a legal obligation for the City to incur costs in relation to a specific tangible capital asset,
- there is a past transaction or event causing the liability that has occurred,
- when economic benefits will need to be given up to remediate the liability, and
- when a reasonable estimate of the liability can be made.

Tangible capital assets that are in use, no longer in use, or that are leased may all give rise to asset retirement obligations.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously amortized on the same basis as the underlying asset to which it relates.

At remediation, the City derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

g) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

i. an environmental standard exists;
ii. contamination exceeds the environmental standard;
iii. The City:
  - is directly responsible; or
  - accepts responsibility; and
iv. a reasonable estimate of the amount can be made.

3. Significant accounting policies (continued)

h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net debt for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

Purchased intangible assets are identifiable non-monetary economic resources without physical substance, which are acquired through an arm's length transaction. Purchased intangible assets are recognized in the financial statements when they meet the definition of an asset and general criteria in PS 1000, Financial Statement Concepts. This guideline came into effect on January 1, 2024.

i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The City does not capitalize internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

Land	Indefinite
Land improvements	10 to 30 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer hardware and software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the City, forests, water, and other natural resources are not recognized as tangible capital assets.

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

3. Significant accounting policies (continued)

j) Inventories

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

k) Revenue recognition

Fees and other revenues:
Exchange transactions are transactions with performance obligations. A performance obligation is a promise to provide a distinct good or service or series of distinct goods or services to a payor for consideration. The City recognizes revenue when the performance obligations are satisfied, and the payor obtains control of the asset or benefits from the service provided.

Non-exchange transactions are transactions or events where there is no direct transfer of goods or services to a payor. The City receives an increase in economic resources for which the payor does not receive any direct goods or services in return. Revenue from non-exchange transactions is recognized when the City has the authority and identifies a past transaction or event that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on the delivery of products.

Revenue from contracts with customers is recognized at an amount equal to the transaction price allocated to the specific distinct performance obligation when the performance obligation is satisfied. Revenue from contracts with customers is evaluated and separated into distinct performance obligations when there is a distinct good or service to be transferred in the future.

Government transfers:
Transfer payments from other governments include all accruals determined for current year entitlements that have been authorized by December 31, for which any eligibility criteria have been met and that can be reasonably estimated. A liability is recorded to the extent that a transfer gives rise to an obligation that meets the definition of a liability in accordance with the criteria in PS 3200 Liabilities.

Property taxes:
Revenues from property taxes are accrued in the year they are authorized by Council. Property taxes are recorded net of tax concessions and other adjustments. Transfers made through the tax system are recognized as an expense.

Externally restricted inflows:
Externally restricted inflows are recognized as revenue in the period in which expenses are incurred for the purposes specified. Externally restricted inflows received before the expenses are incurred are reported as a liability.

l) Financial instruments

The City as part of its operations carries a number of financial instruments. It is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The City classifies its financial instruments as either fair value, cost or amortized cost. The City's accounting policy for each category is as follows:

Fair value:
This category includes derivatives and equity instruments quoted in an active market. The City has not designated any of its portfolio investments or borrowings at fair value that would otherwise be classified in the amortized cost category.

Financial instruments in the fair value category are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value on unrestricted investments are recognized in the Consolidated Statement of Remeasurement Gains (Losses) until they are realized. When realized they are transferred to the Consolidated Statement of Operations. Changes in fair value on restricted investments are recognized as unearned revenue until the restriction on its use is realized. At that time, the balance is transferred to the Consolidated Statement of Operations.

Cost or amortized cost:

This category includes cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and public debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for donated financial assets, which are initially recognized at fair value.

3. Significant accounting policies (continued)

m) Foreign currency translation

The City's foreign currency risk is reflected in its consolidated financial statements. Monetary assets and liabilities, denominated in a foreign currency, are translated at the year-end rate of exchange. Revenue and expenses arising from a foreign currency transaction are translated into Canadian dollars at exchange rates approximating those in effect at the transaction date.

At each consolidated financial statement date, monetary assets and liabilities must be adjusted to reflect the exchange rate in effect at that date. Unrealized foreign exchange gains or losses that arise prior to settlement are recognized in the Consolidated Statement of Remeasurement Gains (Losses).

In the period of settlement, the cumulative amount of foreign exchange gains and losses is removed from the Consolidated Statement of Remeasurement Gains (Losses) and is recognized in the Consolidated Statement of Operations.

n) Measurement uncertainty

Estimates are used to accrue revenue and expenses in circumstances where the actual accrued amounts are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty in these consolidated financial statements exists in the estimate of asset retirement obligations. The liability associated with asset retirement obligations reflects the best estimates by management of the amount required to remediate such liabilities, the timing when such remediation will occur, and the estimated future cash flows associated with asset retirement discounted to the consolidated financial statement date. The actual future cash flows and timing of obligations arising from asset retirement may differ significantly from these estimates.

o) Recent accounting pronouncements

Concepts Underlying Financial Performance (New Conceptual Framework for Financial Reporting in the Public Sector)

In December 2022, the Public Sector Accounting Board (PSAB) issued The Conceptual Framework for Financial Reporting in the Public Sector (the Conceptual Framework) which replaces conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives.

The Conceptual Framework outlines:
- Characteristics of public sector entities;
- The objective of financial reporting;
- Primary users of financial reporting and their expectations;
- The role, foundations and objectives of financial statements;
- Qualitative characteristics of information in financial statements and related considerations;
- Definitions of elements;
- Criteria of general recognition and derecognition; and
- Concepts of general measurement and presentation.

The Conceptual Framework applies for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted.

3. Significant accounting policies (continued)

o) Recent accounting pronouncements (continued)

PS 1202 *Concepts Underlying Financial Performance*

In October 2023, the Public Sector Accounting Board (PSAB) issued Section PS 1202 Financial Statement Presentation which replaces PS 1201 Financial Statement Presentation. The new Section PS 1202:

- Discusses going concern that builds on the discussion in The Conceptual Framework for Financial Reporting in the Public Sector;
- Changes the statement of financial position by:
  - Relocating the calculation of the net financial liabilities (formerly known as “net debt”) or net financial assets indicator, to its own statement;
  - Introducing two categories of liabilities: financial and non-financial;
  - Adding a third component of net assets or net liabilities: “accumulated other”;
  - Updating the definition of “non-financial assets”;
  - Restructuring the statement to present assets, followed by liabilities, followed by net assets or net liabilities; and
  - Providing an option to show the net financial assets or net financial liabilities indicator below the indicator of financial position, with reference to the statement of net financial assets or net financial liabilities;
- Adds a statement of net financial assets or net financial liabilities that presents the revised net financial assets or net financial liabilities calculation;
- Provides the option to present the change in net financial assets or net financial liabilities on the statement of net financial assets or net financial liabilities;
- Includes a statement of operations similar to the one in superseded Section PS 1201;
- Permits presenting an amended budget only when there is an election or when the majority of the governing body of a government organization has been newly elected or appointed;
- Adds the statement of changes in net assets or net liabilities that includes a reconciliation of each component of net assets or net liabilities and incorporates what is required in superseded Section PS 1201 to be included in the statement of remeasurement of gains and losses;
- Isolates financing activities in the statement of cash flow; and
- Includes guidance in various appendices in the form of application guidance, decision trees, illustrative examples and illustrative financial statements.

Section PS 1202 applies to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted only if the Conceptual Framework is also adopted at the same time. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information in Section PS 1202. Various consequential amendments resulting from the issuance of Section PS 1202 have also been issued. These include various Sections and Guidelines of the PSA Handbook that have been withdrawn or amended.

Tangible Capital Assets *(Amendments to Section PS3150)*

In May 2025, the Public Sector Accounting Board (PSAB) issued amendments to Section PS 3150 Tangible Capital Assets, as part of its Government Not-for-Profit (GNFP) Strategy Implementation Plan. The main features of the amendments include:

- Add a new criterion to the definition of a “tangible capital asset” for only a minor clarification;
- Define “collections”, “works of art and historical treasures”, and “service potential”;
- New disclosure requirements for works of art, historical treasures and collections;
- Provide accounting guidance for situations when an entity purchases a tangible capital asset at substantially below fair value; and
- Clarify that contributed materials and labour are included in the cost of a constructed or developed tangible capital asset.

For government not-for-profit organizations (GNFPOs) currently applying the PS 4200 series, once the entity applies Section PS 3150, Section PS 4230 Capital Assets Held by Not-for-Profit Organizations and Section PS 4240 Collections Held by Not-for-Profit Organizations will no longer apply. Section PS 3150 is effective for fiscal years beginning on or after April 1, 2030, with earlier adoption permitted. Section PS 3150 would be applied retroactively with restatement of prior periods.

For public sector entities that have not applied the PS 4200 series, the amendments to Section PS 3150 are effective for fiscal years beginning on or after April 1, 2030, with earlier adoption permitted. The amendments would be applied retroactively with restatement of prior periods except for the amendments related to purchases of tangible capital assets at substantially below fair value and including the contributed materials and labour in the cost of a constructed or developed tangible capital asset, which are applied only to new transactions or events from the date of change.

4. Cash and temporary investments

Cash and temporary investments are comprised of the following:

		2025		2024
Cash	$	**4,958,418**	$	8,083,702
Temporary investments		**508,170**		548,288
		5,466,588		8,631,990
Less bank indebtedness		**(5,808,719)**		-
	$	**(342,131)**	$	8,631,990

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The City has designated **$82,624,448** (2024 - $76,520,178) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances. Included in the reserve is cash of **$0** (2024 - $0).

5. Amounts receivable

Amounts receivable are valued at their net realizable value.

		2025		2024
Taxes on roll (Schedule 11)	$	**4,899,141**	$	3,887,181
Government grants		**14,438,455**		5,716,957
Utility customers		**7,664,149**		6,943,221
Accrued interest		**293,922**		27,364
Organizations and individuals		**5,302,504**		5,930,543
Other governments		**1,173,240**		549,816
		33,771,411		23,055,082
Less allowances for doubtful amounts		**(994,865)**		(1,290,174)
	$	**32,776,546**	$	21,764,908

6. Portfolio investments

		2025		2024
Marketable securities:				
Bonds and certificates	$	**25,429,604**	$	24,918,337

The aggregate market value of the marketable securities at December 31, 2025 is **$35,245,285** (2024 - $26,183,567). Portfolio investments earned **$496,599** in investment income during the year (2024 - $1,734,787).

7. Inventories

Inventories for use:

		2025		2024
Chemicals, herbicides, insecticides	$	**359,659**	$	439,800
Fuel		**46,768**		84,383
Other supplies		**780,266**		816,942
	$	**1,186,693**	$	1,341,125

8. Bank indebtedness

The City has available a line of credit of $10,000,000 for general operating. The City has drawn $5,808,719 (2024 - $Nil) of the line of credit available.

9. Accounts payable and accrued liabilities

		2025		2024
Accounts payable	$	**18,553,822**	$	13,780,973
Accrued expenses		**2,360,697**		2,372,405
Accrued interest payable		**1,257,704**		650,997
School levies		**2,759,540**		1,742,520
Other governments		**824,106**		602,785
	$	**25,755,869**	$	19,149,680

10. Asset retirement obligations

	2025	2024
Balance, beginning of year	**$ 14,931,769**	$ 14,228,681
Liabilities settled during the year	**-**	-
Accretion expense	**619,885**	703,088
Change in assumptions	**-**	-
Estimated total liability	**$ 15,551,654**	$ 14,931,769

a) Landfill site

Legislation requires the City to conduct closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post-closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

The City operates a Class 1 landfill, with an estimated remaining capacity of 1,815,964 cbm of the landfill's total estimated capacity of 2,048,326 cbm. The estimated remaining life of the landfill is 27 years. The period for post-closure care is estimated to be 25 years.

The estimated total liability of **$2,266,447** (2024 - $2,143,719) is based on the sum of discounted future cash flows using a discount rate of 5.73%.

b) Lagoon

The City is required to appropriately close wastewater lagoon sites at the end of their operating life. The City operates a wastewater lagoon, with an estimated remaining life of 52 years.

The estimated total liability of **$3,496,729** (2024 - $3,307,226) is based on the sum of discounted future cash flows using a discount rate of 5.73%.

c) Asbestos and lead paint

Legislation requires the City to appropriately handle and dispose of any material containing asbestos and lead paint when renovating or demolishing a municipal structure. The City owns various buildings, which contain asbestos.

The estimated total liability of **$6,663,146** (2024 - $6,302,042) is based on the sum of discounted future cash flows of $16,295,306 using a discount rate of 5.73%.

d) Fuel storage

Legislation requires the City to remove fuel storage tank systems in a manner approved by the Director of Environment and Climate Change. The City owns various fuel storage tanks, which are subject to this requirement.

The estimated total liability of **$22,132** (2024 - $20,932) is based on the sum of discounted future cash flows using a discount rate of 5.73%.

e) Other liabilities

Legislation requires the City to appropriately handle and dispose of any material containing lead when renovating or demolishing a municipal structure. The City currently maintains 55,298 meters of service lines, which contain lead.

The estimated total liability of **$3,103,200** (2024 - $3,157,850) is based on the sum of discounted future cash flows using a discount rate of 5.73%.

11. Liability for remediation of contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

i. an environmental standard exists;
ii. contamination exceeds the environmental standard;
iii. The City:
- is directly responsible; or
- accepts responsibility; and

iv. a reasonable estimate of the amount can be made.

The City of Brandon has property located at 156 9th Street and 20 27th Street North that meet these criteria (Note 13). The City of Brandon has determined that there are no material liabilities, therefore no accrual has been made.

12. Long-term debt

	2025	2024
General authority:		
Constructing and extending 34th Street, interest at 3.00% payable at $351,692 annually including interest, maturing December 2031.	**$ 1,905,180**	$ 2,191,138
Southeast Brandon Drainage Improvement Project, interest at 5.245% payable at $655,343 annually including interest, maturing February 2045.	**8,000,000**	-
Fire Hall, interest at 4.92% payable at $811,788 annually including interest, maturing January 2030.	**3,522,405**	4,130,950
Police Station, interest at 4.50% payable at $1,068,586 annually including interest, maturing December 2030.	**4,691,069**	5,511,632
Keystone Roof Project, interest at 3.00% payable at $278,111 annually including interest, maturing October 2026.	**270,010**	532,156
Development Services Building, interest at 3.00% payable at $210,517 annually including interest, maturing October 2026.	**204,385**	402,818
Airport Terminal Development, interest at 4.25% payable at $417,425 annually including interest, maturing October 2034.	**3,068,640**	3,343,947
Police Operating Centre Project, interest at 4.625% payable at $356,039 annually including interest, maturing July 2045.	**2,800,000**	-
Sportsplex Arena Project, interest at 4.625% payable at $343,323 annually including interest, maturing July 2035.	**2,700,000**	-
	$ 27,161,689	$ 16,112,641
Utility funds:		
Water Reclamation Facility, interest at 3.30% payable at $796,200 annually including interest, maturing January 2031.	**4,266,858**	4,900,023
Chemical Building Project, interest at 3.90% payable at $583,453 annually including interest, maturing February 2042.	**7,153,467**	7,446,507
Chemical Building Project, interest at 3.125% payable at $543,959 annually including interest, maturing December 2040.	**6,435,425**	6,767,888
	$ 17,855,750	$ 19,114,418
	$ 45,017,439	$ 35,227,059

Principal payments required in each of the next five years are as follows:

2026	$ 4,534,197
2027	$ 4,228,137
2028	$ 4,403,661
2029	$ 4,586,688
2030	$ 4,777,546

12. Long-term debt (continued)

Schedule of debentures pending

Authority	Purpose		Amount Authorized
By-law #7312 / E-21-125	RCMP OCC Project	$	3,766,855
By-law #7295 / E-21-141	Sports Field Complex	$	6,000,000
By-law #7331 / E-22-083	Southeast Drainage	$	22,140,000
By-law #7328 / E-22-077	Water Treatment Facility	$	40,670,500
By-law #7338 / E-22-112	Southwest Wastewater Servicing	$	30,000,000
By-law #7364 / E-23-090	Water Treatment Facility	$	15,000,000
By-law #7393 / E-24-095	Sportsplex Ice Plant & Arena	$	800,000

13. Commitments

On January 25, 2024, the City entered into a funding agreement with Canada Mortgage and Housing Corporation (CMHC) under the Housing Accelerator Fund. Pursuant to this agreement, the City has entered into financial assistance agreements to support residential development projects within Brandon. As at December 31, 2025, the City had committed $940,000 in future funding under these agreements, payable upon the achievement of specified development and construction milestones.

City Council, at its meeting held November 19, 2001, adopted a resolution to pay to the Keystone Centre, for the duration of the ninety-nine year land lease between the Keystone Centre and Canad Inns, an annual grant equal to the municipal portion of taxes collected on the Canad Inns hotel development on the Keystone grounds. Payment made for the 2025 year was **$105,333** (2024 - $126,056).

City Council, at its meeting held February 20, 2006, passed By-law 6814 to implement a tax abatement program for eligible properties in the downtown district to encourage and assist in the renovation and redevelopment of buildings in downtown Brandon. The City of Brandon has several properties receiving this tax credit, with expiry dates ranging from 2027 to 2032. Payments made for the 2025 year were **$53,544** (2024 - $123,297).

City Council, at its meeting held September 8, 2008, passed By-law 6893 which provides for financial assistance to Assiniboine Community College equal to the municipal portion of taxes collected on the culinary arts facility for a period of 25 years beginning in 2007 or a maximum of $20,290,000. The 2025 payment was **$335,982** (2024 - $285,012).

City Council, at its meeting held August 20, 2007, passed By-law 6870 which provides for financial assistance for newly constructed affordable multi-family rental units whereby eligible property owners receive a tax credit equal to 50% of the municipal portion of the property taxes for a period of twenty (20) years. The City of Brandon has several properties receiving this credit, with the 20 year expiry ranging from 2032 to 2044. Payments made for the 2025 year were **$142,369** (2024 - $102,171).

City Council, at its meeting held November 20, 2017, passed By-law 7192 to implement a tax credit program for eligible properties to promote the rehabilitation and restoration of Municipal Heritage Sites. Under this program, municipal taxes would be eligible for a tax credit for a period of ten (10) years, to a maximum not exceeding 50% of eligible project costs. Payments made for the 2025 year were **$12,394** (2024 - $8,661).

City Council, at its meeting held April 20, 2020, adopted a resolution to provide a ten year Municipal Tax Incremental Financing for redevelopment of a vacant property. The Community Revitalization Levy paid to the property owner in 2025 was $39,000.

The City has entered into various funding agreements and arrangements with community organizations and regional partners to support the delivery of recreational, cultural, educational, and community services. At December 31, 2025, the City had the following ongoing funding commitments:

- The City is party to a multi-year funding agreement providing annual operating and capital funding to the Keystone Centre. The current agreement expires March 31, 2027 and includes $1,368,000 in capital funding and $690,000 in operating funding on an annual basis;
- The City provides annual operating funding to the Western Manitoba Centennial Auditorium pursuant to the funding agreement in the amount of $150,000. The funding agreement is currently under negotiation;
- The City provides annual financial support to the Western Manitoba Regional Library ("WMRL") to assist with library operations and services provided to residents. Funding is approved annually through the operating budget process and is based on the per capita levy set by the WMRL.

The amount of future payments under these arrangements is dependent upon annual budget approvals and the terms of the respective agreements. Accordingly, the City has not recognized a liability for future grant payments beyond those approved and committed as at year-end.

14. Contingencies

The City of Brandon owns property located at 156 9th Street. A Phase II Environmental Site Assessment was undertaken in 2014 and the property was designated impacted pursuant to The Contaminated Sites Remediation Act. In January 2015, Manitoba Conservation and Water Stewardship accepted the City of Brandon's remediation plan including routine annual groundwater monitoring and sampling until it can be demonstrated the site is no longer impacted. Should redevelopment of the site occur, an amended remediation plan would be required for approval.

The City of Brandon owns property located at 20 27th Street North. A Phase II Environmental Site Assessment was undertaken in 2022 and the property was designated impacted pursuant to The Contaminated Sites Remediation Act.

In accordance with PSAB's recommendations for environmental liabilities the City of Brandon has performed a risk assessment on other potential city owned sites and has determined that there are no material liabilities and that no environmental remediation is required.

There are a number of legal claims pending against the City of Brandon. The estimated liability for these claims could not be determined as at the end of the year.

15. Retirement benefits

The majority of the employees of the City are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by municipalities on behalf of their employees are expected to be **$4,598,436** (2024 - $4,205,778) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2024, indicated the plan was 111.6% funded on a going concern basis and had an unfunded solvency liability of $19.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2024.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

16. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the City has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these consolidated financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

17. Accumulated surplus

	2025	2024
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus (deficit)	**$ (5,789,076)**	$ (10,955,076)
Utility operating fund - Nominal deficit	**(67,603,292)**	(55,150,791)
TCA net of related borrowings and asset retirement obligations	**434,471,775**	404,809,538
Reserve funds	**82,624,448**	76,520,178
Accumulated surplus of City unconsolidated	**443,703,855**	415,223,849
Accumulated surpluses of consolidated entities	**10,939,018**	11,115,174
Accumulated surplus per Consolidated Statement of Financial Position	**$ 454,642,873**	$ 426,339,023

18. Public Sector Compensation Disclosure

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of Council, and of individual compensation in an amount exceeding $85,000 annually to any member of Council, officer or employee of the City. The City of Brandon issues a separate statement for The Public Sector Compensation Disclosure Report and receives a separate audit opinion.

It is a requirement of The Municipal Act that the annual consolidated financial statement disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of Council of the City. For the year ended December 31, 2025:

a) Compensation paid to members of Council amounted to $413,591 in aggregate.

Council Members:

	Compensation	Expenses	Total
Mayor - Fawcett, Jeffrey	$ 105,271	$ 18,176	$ 123,447
Councillor - Berry, Shawn	24,533	4,289	28,822
Councillor - Cameron, Shaun	24,533	4,590	29,123
Councillor - Cullen, Barry	24,533	3,286	27,819
Councillor - Desjarlais, Kris	24,533	3,539	28,072
Councillor - Hildebrand, Gregory	24,533	4,121	28,654
Councillor - Karrouze, Heather	24,533	4,509	29,042
Councillor - Luebke, Bruce	24,533	3,539	28,072
Deputy Mayor - Parker, Glen	30,602	4,234	34,836
Councillor - Splett, Jason	24,533	4,519	29,052
Councillor - Tame, Tyson	24,533	2,119	26,652
	$ 356,670	$ 56,921	$ 413,591

19. Trust funds

The City of Brandon administers the following trusts that are not consolidated in these consolidated financial statements:

	Balance, beg. of the year	Excess of Receipts over Disbursements	Balance, end of the year
Community Centre Assistance	416,712	(14,461)	402,251

20. Segmented information

The City of Brandon provides a wide range of services to its residents.

Segment information has been provided in Schedule 4 for the following services:

- General Government
- Protective Services
- Transportation Services
- Environmental Health
- Public Health and Welfare Services
- Regional Planning and Development
- Resource Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenue and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the consolidated financial statements as described in the summary of significant accounting policies.

21. Government partnerships

The City has several partnership agreements for municipal services. The consolidated financial statements include the City's proportionate interest, as disclosed in note 2(a). The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2025	2024
Financial Position		
Financial assets	**$ 3,785,757**	$ 4,529,297
Financial liabilities	**2,553,769**	2,259,499
Net financial assets	**$ 1,231,988**	$ 2,269,798
Non-financial assets	**9,257,357**	8,338,104
Accumulated surplus	**$ 10,489,345**	$ 10,607,902
Result of Operations		
Revenue	**$ 6,221,379**	$ 7,983,675
Expenses	**6,339,936**	6,058,512
Annual surplus (deficit)	**$ (118,557)**	$ 1,925,163

22. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg Utility and wholesale water rates set by the Manitoba Water Services Board. The PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. The PUB’s prescribed accounting policies on tangible or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

For information purposes and not subject to audit under PSAB standards, the City has deferred the capital grants and/or contributed assets it has received in the past for its utilities and amortized them over the useful life of the related tangible or contributed capital assets.

No capital grants have been deferred and amortized in these consolidated financial statements.

The following table provides unaudited, non-PSAB historical information on capital grants for tangible or contributed capital assets with a remaining net book value.

22. Public Utilities Board (continued)

Water services:

Description of Utility	Unamortized Opening Balance *(Unaudited)*	Additions During Year *(Unaudited)*	Amortization During Year *(Unaudited)*	Unamortized Balance Ending *(Unaudited)*
9th St. Reservoir Supply Line	$ 350,000	$ -	$ 20,000	$ 330,000
Chemical Building	2,091,440	-	27,886	2,063,554
Water Treatment Facility Expansion	806,390	5,634,988	-	6,441,378
	$ 3,247,830	$ 5,634,988	$ 47,886	$ 8,834,932

Sewer services:

Description of Utility	Unamortized Opening Balance *(Unaudited)*	Additions During Year *(Unaudited)*	Amortization During Year *(Unaudited)*	Unamortized Balance Ending *(Unaudited)*
Combined WWTF Phase II	$ 7,494,125	$ -	$ 516,837	$ 6,977,288
Lagoon Cell 3A	129,171	-	8,333	120,838
Combined WWTF Phase III	26,379,707	-	894,227	25,485,480
Forcemain Kirkcaldy Lift Station to Pacific Ave	4,302,850	-	77,529	4,225,321
Kirkcaldy Lift Station	5,498,937	-	154,900	5,344,037
	$ 43,804,790	$ -	$ 1,651,826	$ 42,152,964

CITY OF BRANDON **SCHEDULE 1**

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Year Ended December 31, 2025

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	**Buildings and Leasehold Improvements**	**Vehicles and Equipment**	**Computer Hardware and Software**	**Asset Under Construction**	**Roads, Streets, and Bridges**	**Water and Sewer**	**Assets Under Construction**	**2025**	2024
Cost										
Opening costs	62,439,791	110,361,002	69,546,390	9,910,594	25,934,653	211,160,984	379,041,475	17,771,912	886,166,801	833,800,696
Additions during the year	15,012,982	15,251,199	7,316,140	527,549	(17,751,557)	15,432,785	4,900,865	21,510,499	62,200,462	53,771,843
Disposals and write downs	(3)	(364,942)	(1,588,570)	-	-	-	-	-	(1,953,515)	(1,405,738)
Closing costs	**77,452,770**	**125,247,259**	**75,273,960**	**10,438,143**	**8,183,096**	**226,593,769**	**383,942,340**	**39,282,411**	**946,413,748**	886,166,801
Accumulated Amortization										
Opening accum'd amortization	14,659,188	51,314,131	45,326,629	7,713,012	-	139,759,625	164,296,844	-	423,069,429	404,585,455
Amortization	1,246,482	2,988,212	3,995,320	752,495	-	3,685,656	8,230,999	-	20,899,164	19,479,409
Disposals and write downs	-	(364,942)	(1,237,216)	-	-	-	-	-	(1,602,158)	(995,435)
Closing accum'd amortization	**15,905,670**	**53,937,401**	**48,084,733**	**8,465,507**	**-**	**143,445,281**	**172,527,843**	**-**	**442,366,435**	423,069,429
Net Book Value of Tangible Capital Assets	**61,547,100**	**71,309,858**	**27,189,227**	**1,972,636**	**8,183,096**	**83,148,488**	**211,414,497**	**39,282,411**	**504,047,313**	463,097,372

Water and sewer underground networks contributed to the Municipality total **$Nil** (2024 - $3,096,415) and were capitalized at their fair value at the time of their receipt.
Streets, roads and general infrastructure contributed to the Municipality totals **$531,734** (2024 - $557,353) and were capitalized at their fair value at the time of their receipt.

SCHEDULE 2

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	**$ 52,972,695**	$ 49,475,081
Taxes added	**1,008,092**	1,057,097
	53,980,787	50,532,178
Grants in lieu of taxation		
Federal government	**425,860**	395,088
Federal government enterprises	**-**	-
Provincial government	**2,489,852**	2,287,323
Provincial government enterprises	**-**	-
Other municipal governments	**-**	-
Non-government organizations	**-**	-
	2,915,712	2,682,411
User fees		
Parking meters	**323,224**	334,060
Sales of service	**14,893,414**	13,337,991
Sales of goods	**727,830**	946,869
Rentals	**3,611,600**	2,977,980
Development charges	**607,244**	294,261
Facility use fees	**5,480,515**	5,052,409
	25,643,827	22,943,570
Permits, licences and fines		
Permits	**2,206,085**	2,412,158
Licences	**1,384,159**	1,365,742
Fees	**-**	-
Fines	**565,570**	544,738
	4,155,814	4,322,638
Investment income		
Cash and temporary investments	**644,221**	2,678,849
Marketable securities	**-**	-
Municipal debentures	**-**	-
Other	**54,154**	57,397
	698,375	2,736,246
Other revenue		
Gain (loss) on sale of tangible capital assets	**206,420**	(17,488)
Gain on sale of real estate held for sale	**368,967**	(36,088)
Contributed assets	**650,791**	708,665
Penalties and interest	**640,458**	618,584
Miscellaneous	**540,506**	1,198,289
	2,407,142	2,471,962
Water and sewer		
Municipal utility (Schedule 9)	**46,313,127**	36,613,394
Consolidated water co-operatives	**-**	-
	46,313,127	36,613,394
Grants - Province of Manitoba		
Municipal operating grants	**14,122,334**	13,322,492
Other unconditional grants	**-**	-
Conditional grants	**17,130,754**	21,081,913
	31,253,088	34,404,405
Grants - other		
Federal government - Canada Community-Building Fund (gas tax)	**3,456,405**	3,318,149
Federal government - other	**4,646,158**	9,844,244
Other municipal governments	**749,186**	522,215
	8,851,749	13,684,608
Total revenue	**$ 176,219,621**	$ 170,391,412

CITY OF BRANDON **SCHEDULE 3**

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
General government services		
Legislative	$ 627,416	$ 616,365
General administrative	8,540,358	8,188,821
Other	2,815,374	2,255,276
	11,983,148	11,060,462
Protective services		
Police	25,102,132	23,184,190
Fire	12,581,893	12,071,803
Emergency measures	6,036,422	5,074,812
Other	1,887,377	1,800,324
	45,607,824	42,131,129
Transportation services		
Road transport		
Administration and engineering	7,277,915	5,179,383
Road and street maintenance	239,738	3,541,729
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	164,807	237,455
Street lighting	1,088,464	1,073,795
Other	3,305,928	2,996,955
Air transport	2,082,408	1,977,047
Public transit	8,896,774	6,888,781
Other	-	-
	23,056,034	21,895,145
Environmental health services		
Waste collection and disposal	3,813,148	3,640,701
Recycling	2,793,359	2,691,555
Other	-	-
	6,606,507	6,332,256
Public health and welfare services		
Public health	522,781	540,300
Medical care	-	-
Social assistance	267,032	267,032
Other	-	-
	789,813	807,332
Regional planning and development		
Planning and zoning	601,033	626,766
Urban renewal	4,264,170	6,190,866
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	627,422	569,462
	5,492,625	7,387,094
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	540,950	541,118
Industrial development	-	-
Tourism	328,593	235,277
Other	-	-
	869,543	776,395
Sub-totals forward	94,405,494	90,389,813

CITY OF BRANDON **SCHEDULE 3**

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
Sub-totals forward	**94,405,494**	90,389,813
Recreation and cultural services		
Administration	**1,728,200**	1,428,845
Community centers and halls	**70,000**	60,000
Swimming pools and beaches	**424,445**	375,309
Golf courses	**145,548**	132,679
Skating and curling rinks	**-**	-
Parks and playgrounds	**4,484,167**	3,942,524
Other recreational facilities	**10,179,334**	9,059,597
Museums	**389,416**	382,001
Libraries	**1,911,931**	1,934,656
Other cultural facilities	**1,609,843**	1,558,300
	20,942,884	18,873,911
Water and sewer services		
Municipal utility (Schedule 9)	**32,567,393**	30,694,784
Consolidated water co-operatives	**-**	-
	32,567,393	30,694,784
Total expenses	**$ 147,915,771**	$ 139,958,508

CITY OF BRANDON **SCHEDULE 4**

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2025

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
REVENUE										
Property taxes	**$ 53,980,787**	$ 50,532,178	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -
Grants in lieu of taxation	**2,915,712**	2,682,411	**-**	-	**-**	-	**-**	-	**-**	-
User fees	**117,429**	118,545	**9,209,231**	8,277,277	**3,262,094**	2,880,358	**4,219,765**	3,660,675	**306,190**	458,290
Grants - other	**131,858**	91,560	**407,081**	417,953	**4,932,813**	8,633,203	**-**	-	**-**	-
Permits, licences and fines	**1,369,627**	1,354,380	**574,851**	550,176	**179,951**	161,193	**5,250**	5,925	**-**	-
Investment income	**625,984**	2,632,227	**-**	-	**-**	-	**-**	-	**-**	-
Other revenue	**1,199,802**	1,799,354	**13,711**	7,625	**731,923**	524,104	**-**	-	**-**	-
Water and sewer	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Prov of MB - Unconditional Grants	**14,122,334**	13,322,492	**-**	-	**-**	-	**-**	-	**-**	-
Prov of MB - Conditional Grants	**153,047**	32,171	**6,462,650**	8,290,507	**3,530,489**	2,280,489	**1,323,059**	1,318,413	**-**	-
Total revenue	**$ 74,616,580**	$ 72,565,318	**$ 16,667,524**	$ 17,543,538	**$ 12,637,270**	$ 14,479,347	**$ 5,548,074**	$ 4,985,013	**$ 306,190**	$ 458,290
EXPENSES										
Personnel services	**$ 6,109,001**	$ 5,773,169	**$ 37,629,315**	$ 35,103,987	**$ 10,748,043**	$ 10,196,644	**$ 2,336,950**	$ 2,100,295	**$ 318,770**	$ 321,248
Contract services	**2,902,851**	2,706,642	**1,952,741**	1,707,717	**3,788,712**	2,586,259	**1,377,127**	1,144,383	**334,871**	330,737
Utilities	**138,149**	126,420	**591,341**	553,476	**1,206,511**	1,183,362	**76,009**	77,524	**10,966**	11,279
Maintenance materials and supplies	**140,199**	169,485	**786,636**	757,186	**3,885,506**	4,300,308	**427,051**	471,977	**50,408**	71,820
Grants and contributions	**839,949**	881,397	**64,403**	47,003	**-**	-	**-**	-	**-**	-
Accretion	**25,257**	23,890	**21,877**	20,691	**24,373**	23,052	**128,164**	121,223	**6,844**	6,473
Amortization	**815,074**	781,894	**1,627,462**	1,317,103	**7,260,533**	6,831,549	**260,642**	268,366	**2,013**	364
Interest on long term debt	**-**	-	**485,494**	486,035	**611,235**	225,534	**-**	-	**-**	-
Other	**1,012,668**	597,565	**2,448,555**	2,137,931	**(4,468,879)**	(3,451,563)	**2,000,564**	2,148,488	**65,941**	65,411
Total expenses	**$ 11,983,148**	$ 11,060,462	**$ 45,607,824**	$ 42,131,129	**$ 23,056,034**	$ 21,895,145	**$ 6,606,507**	$ 6,332,256	**$ 789,813**	$ 807,332
Surplus (Deficit)	**$ 62,633,432**	$ 61,504,856	**$ (28,940,300)**	$ (24,587,591)	**$ (10,418,764)**	$ (7,415,798)	**$ (1,058,433)**	$ (1,347,243)	**$ (483,623)**	$ (349,042)

* The general government category includes revenue and expenses that cannot be attributed to a particular sector.

CITY OF BRANDON **SCHEDULE 4**

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2025

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
REVENUE										
Property taxes	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ 53,980,787**	$ 50,532,178
Grants in lieu of taxation	**-**	-	**-**	-	**-**	-	**-**	-	**2,915,712**	2,682,411
User fees	**554,363**	562,071	**-**	-	**7,974,755**	6,986,354	**-**	-	**25,643,827**	22,943,570
Grants - other	**2,879,884**	2,423,010	**37,668**	-	**462,445**	2,118,882	**-**	-	**8,851,749**	13,684,608
Permits, licences and fines	**2,026,135**	2,250,964	**-**	-	**-**	-	**-**	-	**4,155,814**	4,322,638
Investment income	**-**	-	**-**	-	**72,391**	104,019	**-**	-	**698,375**	2,736,246
Other revenue	**410,387**	(13,289)	**-**	15,919	**51,319**	138,249	**-**	-	**2,407,142**	2,471,962
Water and sewer	**-**	-	**-**	-	**-**	-	**46,313,127**	36,613,394	**46,313,127**	36,613,394
Prov of MB - Unconditional Grants	**-**	-	**-**	-	**-**	-	**-**	-	**14,122,334**	13,322,492
Prov of MB - Conditional Grants	**239,170**	2,416,720	**-**	-	**5,422,339**	6,743,613	**-**	-	**17,130,754**	21,081,913
Total revenue	**$ 6,109,939**	$ 7,639,476	**$ 37,668**	$ 15,919	**$ 13,983,249**	$ 16,091,117	**$ 46,313,127**	$ 36,613,394	**$ 176,219,621**	$ 170,391,412
EXPENSES										
Personnel services	**$ 1,111,555**	$ 1,106,163	**$ 395,855**	$ 433,820	**$ 7,775,373**	$ 7,171,782	**$ 8,887,935**	$ 8,033,625	**$ 75,312,797**	$ 70,240,733
Contract services	**852,828**	675,595	**15,049**	4,682	**1,714,974**	1,432,057	**4,171,602**	4,022,520	**17,110,755**	14,610,592
Utilities	**85,113**	78,117	**1,090**	1,038	**1,197,661**	1,015,722	**1,612,317**	1,712,800	**4,919,157**	4,759,738
Maintenance materials and supplies	**19,614**	14,484	**3,114**	1,842	**2,726,630**	2,717,631	**7,267,975**	6,647,790	**15,307,133**	15,152,523
Grants and contributions	**2,815,326**	4,903,296	**328,594**	235,277	**2,572,134**	2,587,280	**-**	-	**6,620,406**	8,654,253
Accretion	**-**	-	**-**	-	**205,729**	194,580	**207,641**	313,179	**619,885**	703,088
Amortization	**-**	-	**-**	-	**2,702,441**	2,214,771	**8,230,999**	8,065,362	**20,899,164**	19,479,409
Interest on long-term debt	**11,092**	16,901	**-**	-	**215,841**	23,911	**635,158**	677,636	**1,958,820**	1,430,017
Other	**597,097**	592,538	**125,841**	99,736	**1,832,101**	1,516,177	**1,553,766**	1,221,872	**5,167,654**	4,928,155
Total expenses	**$ 5,492,625**	$ 7,387,094	**$ 869,543**	$ 776,395	**$ 20,942,884**	$ 18,873,911	**$ 32,567,393**	$ 30,694,784	**$ 147,915,771**	$ 139,958,508
Surplus (Deficit)	**$ 617,314**	$ 252,382	**$ (831,875)**	$ (760,476)	**$ (6,959,635)**	$ (2,782,794)	**$ 13,745,734**	$ 5,918,610	**$ 28,303,850**	$ 30,432,904

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2025

	Core Government		Controlled Entities		Government Partnerships		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
REVENUE								
Property taxes	**$ 53,980,787**	$ 50,532,178	**$ -**	$ -	**$ -**	$ -	**$ 53,980,787**	$ 50,532,178
Grants in lieu of taxation	**2,915,712**	2,682,411	**-**	-	**-**	-	**2,915,712**	2,682,411
User fees	**20,874,042**	18,746,043	**7,848**	7,925	**4,761,937**	4,189,602	**25,643,827**	22,943,570
Grants - other	**8,300,940**	13,303,213	**179,884**	173,010	**370,925**	208,385	**8,851,749**	13,684,608
Permits, licences and fines	**4,155,814**	4,322,638	**-**	-	**-**	-	**4,155,814**	4,322,638
Investment income	**625,984**	2,632,227	**-**	-	**72,391**	104,019	**698,375**	2,736,246
Other revenue	**2,398,539**	2,475,374	**-**	2,000	**8,603**	(5,412)	**2,407,142**	2,471,962
Water and sewer	**46,313,127**	36,613,394	**-**	-	**-**	-	**46,313,127**	36,613,394
Prov of MB - Unconditional Grants	**14,122,334**	13,322,492	**-**	-	**-**	-	**14,122,334**	13,322,492
Prov of MB - Conditional Grants	**16,123,231**	17,594,832	**-**	-	**1,007,523**	3,487,081	**17,130,754**	21,081,913
Total revenue	**$ 169,810,510**	$ 162,224,802	**$ 187,732**	$ 182,935	**$ 6,221,379**	$ 7,983,675	**$ 176,219,621**	$ 170,391,412
EXPENSES								
Personnel services	**$ 72,623,989**	$ 67,542,024	**$ 85,084**	$ 85,925	**$ 2,603,724**	$ 2,612,784	**$ 75,312,797**	$ 70,240,733
Contract services	**$ 16,191,669**	$ 13,740,814	**51,282**	38,884	**867,804**	830,894	**17,110,755**	14,610,592
Utilities	**$ 4,456,684**	$ 4,341,094	**-**	-	**462,473**	418,644	**4,919,157**	4,759,738
Maintenance materials and supplies	**$ 13,256,039**	$ 12,994,049	**-**	-	**2,051,094**	2,158,474	**15,307,133**	15,152,523
Grants and contributions	**$ 8,589,900**	$ 10,589,785	**(375,000)**	(328,599)	**(1,594,494)**	(1,606,933)	**6,620,406**	8,654,253
Accretion	**619,885**	703,088	**-**	-	**-**	-	**619,885**	703,088
Amortization	**$ 19,671,864**	$ 18,338,029	**-**	-	**1,227,300**	1,141,380	**20,899,164**	19,479,409
Interest on long-term debt	**$ 1,958,820**	$ 1,428,433	**-**	-	**-**	1,584	**1,958,820**	1,430,017
Other	**$ 3,961,654**	$ 3,945,185	**483,965**	481,285	**722,035**	501,685	**5,167,654**	4,928,155
Total expenses	**$141,330,504**	$133,622,501	**$ 245,331**	$ 277,495	**$ 6,339,936**	$ 6,058,512	**$147,915,771**	$139,958,508
Surplus (Deficit)	**$ 28,480,006**	$ 28,602,301	**$ (57,599)**	$ (94,560)	**$ (118,557)**	$ 1,925,163	**$ 28,303,850**	$ 30,432,904

CITY OF BRANDON **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2025

	2025							
	Accommodation Tax	**Active Transportation**	**Affordable Housing**	**Airport Improvement**	**Ambulance**	**Andrews Field**	**A.R. McDiarmid Building**	**Brandon Municipal Airport**
REVENUE								
Investment income	$ 7,320	$ -	$ 3,123	$ 6,667	$ -	$ 2,506	$ -	$ 1,668
Other income	-	-	-	-	-	-	-	-
Total revenue	7,320	-	3,123	6,667	-	2,506	-	1,668
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	7,320	-	3,123	6,667	-	2,506	-	1,668
TRANSFERS								
Transfers from general operating fund	1,802,954	-	200,000	316,997	-	150,000	-	-
Transfers to general operating fund	(1,637,029)	-	(124,505)	(208,353)	-	-	-	(20,000)
Transfer between reserves	-	(1,064,397)	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	173,245	(1,064,397)	78,618	115,311	-	152,506	-	(18,332)
FUND SURPLUS, BEGINNING OF YEAR	1,218,709	1,089,404	339,822	1,050,753	-	267,468	-	289,326
FUND SURPLUS, END OF YEAR	$ 1,391,954	$ 25,007	$ 418,440	$ 1,166,064	$ -	$ 419,974	$ -	$ 270,994

CITY OF BRANDON **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2025

	2025							
	Capital Development	**Centennial Auditorium**	**Civic Services Complex**	**Clare Ave**	**COVID Restart General**	**COVID Restart Transit**	**Cumulative Benefits**	**DC Drainage Network**
REVENUE								
Investment income	$ 11,618	$ 2,939	$ -	$ 2,002	$ -	$ -	$ 1,482	$ 2,020
Other income	-	-	-	-	-	-	-	-
Total revenue	11,618	2,939	-	2,002	-	-	1,482	2,020
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	11,618	2,939	-	2,002	-	-	1,482	2,020
TRANSFERS								
Transfers from general operating fund	190,691	-	-	-	-	-	-	81,169
Transfers to general operating fund	(279,656)	-	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	(91,046)	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	(77,347)	2,939	-	2,002	(91,046)	-	1,482	83,189
FUND SURPLUS, BEGINNING OF YEAR	1,829,131	476,972	-	324,863	91,046	-	240,547	116,440
FUND SURPLUS, END OF YEAR	$ 1,751,784	$ 479,911	$ -	$ 326,865	$ -	$ -	$ 242,029	$ 199,629

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2025

	2025							
	DC Transport Network	**Diking & Flood Control**	**Disposal Site (Sanitation)**	**E-911 Equipment**	**Elections**	**Fire Fighting Equipment**	**Fire Vehicles**	**Fiscal Contingency**
REVENUE								
Investment income	$ 6,120	$ 5,791	$ 6,257	$ 1,762	$ 1,008	$ 3,617	$ 18,257	$ 8,429
Other income	-	-	-	-	-	-	-	-
Total revenue	6,120	5,791	6,257	1,762	1,008	3,617	18,257	8,429
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	6,120	5,791	6,257	1,762	1,008	3,617	18,257	8,429
TRANSFERS								
Transfers from general operating fund	426,628	-	881,225	60,000	15,000	-	304,138	1,889,460
Transfers to general operating fund	(758,587)	-	(164,652)	(69,748)	-	-	(56,886)	(239,391)
Transfer between reserves	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	(325,839)	5,791	722,830	(7,986)	16,008	3,617	265,509	1,658,498
FUND SURPLUS, BEGINNING OF YEAR	772,137	939,515	345,250	277,544	149,951	586,836	2,736,680	1,859,156
FUND SURPLUS, END OF YEAR	$ 446,298	$ 945,306	$ 1,068,080	$ 269,558	$ 165,959	$ 590,453	$ 3,002,189	$ 3,517,654

CITY OF BRANDON

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2025

	2025							
	Gas Tax	**General**	**Highway Signage**	**Land Acquisition**	**Landfill Closure**	**Large Events Acquisition**	**Library / Arts Building**	**Machinery & Equipment**
REVENUE								
Investment income	$ 64,471	$ 5,357	$ 541	$ 8,554	$ 8,807	$ 5,519	$ 2,920	$ 50,573
Other income	-	-	-	-	-	-	-	-
Total revenue	64,471	5,357	541	8,554	8,807	5,519	2,920	50,573
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	64,471	5,357	541	8,554	8,807	5,519	2,920	50,573
TRANSFERS								
Transfers from general operating fund	2,972,322	-	10,000	541,817	217,002	318,168	15,000	2,639,062
Transfers to general operating fund	(4,904,163)	-	-	(150,280)	-	-	(59,560)	(2,210,643)
Transfer between reserves	-	-	-	-	-	-	-	(1,600,000)
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	(1,867,370)	5,357	10,541	400,091	225,809	323,687	(41,640)	(1,121,008)
FUND SURPLUS, BEGINNING OF YEAR	7,502,462	869,018	78,728	1,019,599	1,297,501	740,017	493,833	8,647,636
FUND SURPLUS, END OF YEAR	$ 5,635,092	$ 874,375	$ 89,269	$ 1,419,690	$ 1,523,310	$ 1,063,704	$ 452,193	$ 7,526,628

CITY OF BRANDON

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2025

	2025							
	Mitigation & Preparedness	**Municipal Building**	**Municipal Building Maintenance**	**Office Equipment**	**Parks**	**Perpetual Care**	**Planning Projects**	**Police Equipment**
REVENUE								
Investment income	$ 86	$ -	$ 13,140	$ 282	$ 23,963	$ 2,566	$ 1,019	$ 14,882
Other income	-	-	-	-	-	-	-	-
Total revenue	86	-	13,140	282	23,963	2,566	1,019	14,882
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	86	-	13,140	282	23,963	2,566	1,019	14,882
TRANSFERS								
Transfers from general operating fund	-	-	1,546,186	3,000	747,342	60,668	-	468,800
Transfers to general operating fund	-	-	(1,146,534)	(13,829)	(1,876,464)	(136,828)	-	(2,126,783)
Transfer between reserves	-	-	584,609	-	1,291,046	-	-	-
Transfers from utility operating fund	-	-	-	3,000	-	-	-	-
Transfers to utility operating fund	(34,998)	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	(34,912)	-	997,401	(7,547)	185,887	(73,594)	1,019	(1,643,101)
FUND SURPLUS, BEGINNING OF YEAR	34,912	-	1,685,791	47,137	1,791,724	406,543	165,611	3,203,592
FUND SURPLUS, END OF YEAR	$ -	$ -	$ 2,683,192	$ 39,590	$ 1,977,611	$ 332,949	$ 166,630	$ 1,560,491

CITY OF BRANDON **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2025

	2025							
	Transport Network Infrastructure Reserve	**Police Vehicles**	**Professional Fees**	**Protective Services Building**	**Recreation Centre**	**Snow Clearing**	**Sportsplex**	**Storm Sewer**
REVENUE								
Investment income	$ 11,905	$ 5,891	$ -	$ -	$ 1,097	$ -	$ 5,979	$ 18,133
Other income	-	-	-	-	-	-	-	-
Total revenue	11,905	5,891	-	-	1,097	-	5,979	18,133
EXPENSES								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
NET REVENUES	11,905	5,891	-	-	1,097	-	5,979	18,133
TRANSFERS								
Transfers from general operating fund	1,642,984	573,472	-	-	88,537	-	2,903,867	-
Transfers to general operating fund	(1,686,940)	(498,915)	(47,416)	-	(18,342)	-	(3,064,090)	(209,776)
Transfer between reserves	1,190,786	-	-	(584,609)	-	-	(1,200,000)	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	1,158,735	80,448	(47,416)	(584,609)	71,292	-	(1,354,244)	(191,643)
FUND SURPLUS, BEGINNING OF YEAR	6,071	705,759	47,416	617,669	140,864	-	2,039,345	3,033,515
FUND SURPLUS, END OF YEAR	$ 1,164,806	$ 786,207	$ -	$ 33,060	$ 212,156	$ -	$ 685,101	$ 2,841,872

CITY OF BRANDON

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2025

	2025						
	Technology	**Traffic Control Devices**	**Transit Gas Tax Funding**	**Transit System Equipment**	**26th Street South of Maryland**	**8th Street Bridge**	**Water Distribution**
REVENUE							
Investment income	$ 3,638	$ -	$ 12,461	$ 33,591	$ -	$ -	$ 70,798
Other income	-	-	-	-	-	-	-
Total revenue	3,638	-	12,461	33,591	-	-	70,798
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
NET REVENUES	3,638	-	12,461	33,591	-	-	70,798
TRANSFERS							
Transfers from general operating fund	385,000	-	484,083	1,152,016	-	-	-
Transfers to general operating fund	(530,265)	-	(791,284)	(1,491,070)	-	-	-
Transfer between reserves	-	(125,414)	-	1,600,000	-	(975)	-
Transfers from utility operating fund	-	-	-	-	-	-	7,125,222
Transfers to utility operating fund	-	-	-	-	-	-	(3,993,023)
Acquisition of tangible capital assets	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	(141,627)	(125,414)	(294,740)	1,294,537	-	(975)	3,202,997
FUND SURPLUS, BEGINNING OF YEAR	674,716	129,843	1,433,203	3,682,654	-	975	8,486,794
FUND SURPLUS, END OF YEAR	$ 533,089	$ 4,429	$ 1,138,463	$ 4,977,191	$ -	$ -	$ 11,689,791

CITY OF BRANDON **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2025

	2025						2024
	Wastewater Distribution	**DC Water Cost Charge**	**DC Wastewater Cost Charge**	**DC Water Network**	**DC Wastewater Network**	**Total**	Total
REVENUE							
Investment income	$ 78,281	$ 5,045	$ 6,764	$ 4,721	$ 18,259	$ 571,829	$ 2,574,829
Other income	-	-	-	-	-	-	-
Total revenue	78,281	5,045	6,764	4,721	18,259	**571,829**	2,574,829
EXPENSES							
Investment charges	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	**-**	-
NET REVENUES	78,281	5,045	6,764	4,721	18,259	**571,829**	2,574,829
TRANSFERS							
Transfers from general operating fund	-	-	-	-	-	23,087,588	23,602,714
Transfers to general operating fund	-	-	-	-	-	(24,521,989)	(20,839,323)
Transfer between reserves	-	-	-	-	-	-	-
Transfers from utility operating fund	4,808,977	157,593	204,060	220,172	700,841	13,219,865	8,282,985
Transfers to utility operating fund	(2,001,788)	-	-	(223,214)	-	(6,253,023)	(3,844,181)
Acquisition of tangible capital assets	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	2,885,470	162,638	210,824	1,679	719,100	**6,104,270**	9,777,024
FUND SURPLUS, BEGINNING OF YEAR	10,364,914	305,471	410,658	360,267	1,094,390	**76,520,178**	66,743,154
FUND SURPLUS, END OF YEAR	$ 13,250,384	$ 468,109	$ 621,482	$ 361,946	$ 1,813,490	**$ 82,624,448**	$ 76,520,178

CITY OF BRANDON **SCHEDULE 7**

SCHEDULE OF L.U.D. OPERATIONS

For the Year Ended December 31, 2025

	2025 Budget	**2025 Actual**	2024 Actual
Revenue			
Taxation	$ -	$ -	$ -
Other revenue	-	-	-
Total revenue	-	-	-
Expenses			
General government			
Indemnities	-	-	-
Transportation services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenue (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other (specify):	-	-	-
Change in L.U.D. balances	$ -	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		$ -	$ -

CITY OF BRANDON **SCHEDULE 8**

SCHEDULE OF FINANCIAL POSITION FOR UTILITY
As at December 31, 2025

	2025 Total	2024 Total
FINANCIAL ASSETS		
Amounts receivable	**$ 14,105,528**	$ 7,749,611
Due from other funds	**-**	-
	$ 14,105,528	$ 7,749,611
LIABILITIES		
Accounts payable and accrued liabilities	**$ 385,874**	$ 415,661
Asset retirement obligations (Note 10)	**7,943,056**	7,735,415
Long-term debt (Note 12)	**17,855,750**	19,114,418
Due to other funds	**81,987,591**	63,234,389
	108,172,271	90,499,883
NET DEBT	**$ (94,066,743)**	$ (82,750,272)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**$ 250,696,908**	$ 232,516,543
Inventories	**664,645**	749,648
Prepaid expenses	**-**	-
	251,361,553	233,266,191
FUND SURPLUS	**$ 157,294,810**	$ 150,515,919

COMMITMENTS AND CONTINGENCIES (Notes 13 and 14)

CITY OF BRANDON

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2025

	Budget	2025	2024
REVENUE			
Water			
Water fees	$ 15,988,690	$ 16,220,023	$ 13,737,138
Bulk water fees	106,780	111,230	94,758
sub-total - water	16,095,470	16,331,253	13,831,896
Sewer			
Sewer fees	12,675,529	12,655,976	10,806,002
Lagoon tipping fees	250,000	241,091	267,589
sub-total - sewer	12,925,529	12,897,067	11,073,591
Property taxes	-	-	-
Recovery			
Deficit recovery	2,554,637	2,910,737	2,475,583
Debenture recovery	1,145,896	1,162,578	1,125,583
sub-total - recovery	3,700,533	4,073,315	3,601,166
Government transfers			
Operating	-	-	-
Capital - government	-	6,634,989	-
sub-total - government transfers	-	6,634,989	-
Other			
Hydrant rentals	349,440	342,307	324,618
Connection charges	1,199,084	1,172,793	1,107,050
Installation service	-	-	-
Penalties	100,000	168,768	143,143
Contributed tangible capital assets	-	-	2,226,013
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Development charges	494,395	1,301,866	625,139
Other income	2,607,433	3,390,769	3,680,778
sub-total - other	4,750,352	6,376,503	8,106,741
Total revenue	37,471,884	46,313,127	36,613,394

	Budget	2025	2024
EXPENSES			
General			
Administration	5,415,934	5,099,725	4,604,444
Training costs	-	-	-
Billing and collection	913,709	1,001,035	894,896
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total - general	6,329,643	6,100,760	5,499,340
Water general			
Purification and treatment	7,346,502	6,701,619	5,681,206
Water purchases	-	-	-
Transmission and distribution	1,087,522	1,335,184	989,487
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Training costs	108,135	114,158	118,252
Utilities (telephone, electricity, etc.)	543,339	467,416	456,599
Connection costs	546,096	348,658	286,610
Other water costs	18,885	-	-
sub-total - water general	9,650,479	8,967,035	7,532,154
Water amortization & interest			
Amortization	3,155,967	3,155,967	3,068,348
Accretion	(5,475)	(5,475)	111,613
Interest on long-term debt	491,434	491,434	512,902
sub-total - water amortization & interest	3,641,926	3,641,926	3,692,863
Sewer general			
Collection system costs	490,245	548,120	615,631
Treatment and disposal cost	6,303,882	6,737,077	6,657,248
Lift Station costs	274,675	57,566	116,327
Transportation services	-	-	-
Connection costs	-	-	-
Training costs	33,000	11,551	9,787
Utilities (telephone, electricity, etc.)	1,287,453	1,071,486	1,208,120
Other sewage & disposal costs	-	-	-
sub-total - sewer general	8,389,255	8,425,800	8,607,113
Sewage amortization & interest			
Amortization	5,075,032	5,075,032	4,997,014
Accretion	213,116	213,116	201,566
Interest on long-term debt	143,724	143,724	164,734
sub-total - sewer amortization & interest	5,431,872	5,431,872	5,363,314
Total expenses	33,443,175	32,567,393	30,694,784
NET OPERATING SURPLUS	4,028,709	13,745,734	5,918,610
TRANSFERS			
Transfers from reserve funds	690,000	6,253,022	3,844,181
Transfers to reserve funds	(9,314,257)	(13,219,865)	(8,285,984)
CHANGE IN UTILITY FUND BALANCE	$ (4,595,548)	6,778,891	1,476,807
FUND SURPLUS, BEGINNING OF YEAR		150,515,919	149,039,112
FUND SURPLUS, END OF YEAR		$ 157,294,810	$ 150,515,919

CITY OF BRANDON **SCHEDULE 10**

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2025

	Financial Plan General	Financial Plan Utility	Amortization & Accretion	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	$ 53,772,695	$ -	$ -	$ -	$ -	$ -	$ -	$ 53,772,695
Grants in lieu of taxation	2,915,712	-	-	-	-	-	-	2,915,712
User fees	18,514,756	-	-	-	-	-	4,769,785	23,284,541
Permits, licences and fines	4,094,471	-	-	-	-	-	-	4,094,471
Investment income	45,000	-	-	-	-	-	72,391	117,391
Other revenue	667,130	-	-	-	-	-	8,603	675,733
Water and sewer	-	37,471,884	-	-	-	-	-	37,471,884
Grants - Province of Manitoba	24,604,491	-	-	-	-	-	1,007,523	25,612,014
Grants - other	8,777,382	-	-	-	-	-	550,809	9,328,191
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves/general	8,504,832	690,000	-	-	(9,194,832)	-	-	-
Total revenue	**$ 121,896,469**	**$ 38,161,884**	**$ -**	**$ -**	**$ (9,194,832)**	**$ -**	**$ 6,409,111**	**$ 157,272,632**
EXPENSES								
General government services	$ 9,817,887	$ -	$ 840,331	$ -	$ 75,223	$ -	$ -	$ 10,733,441
Protective services	45,606,447	-	1,649,339	485,494	-	-	-	47,741,280
Transportation services	14,790,907	-	7,284,906	611,235	-	-	-	22,687,048
Environmental health services	6,392,045	-	388,806	-	-	-	-	6,780,851
Public health and welfare services	797,163	-	8,857	-	-	-	-	806,020
Regional planning and development	7,219,777	-	-	11,092	-	-	245,331	7,476,200
Resource cons and industrial dev	1,182,789	-	-	-	-	-	-	1,182,789
Recreation and cultural services	13,052,962	-	1,680,870	215,841	-	-	6,339,936	21,289,609
Water and sewer services	-	24,369,377	8,438,640	635,158	-	-	-	33,443,175
Fiscal services:								
Transfer to capital	475,000	-	-	-	(475,000)	-	-	-
Transfer to surplus	-	2,554,637	-	-	(2,554,637)	-	-	-
Debt charges	3,138,120	1,923,613	-	(5,061,733)	-	-	-	-
Short-term interest	65,000	-	-	-	(65,000)	-	-	-
Transfer to reserves/utility	19,348,149	9,314,257	-	-	(28,662,406)	-	-	-
Allowance for tax assets	10,223	-	-	-	(10,223)	-	-	-
Total expenses	**$121,896,469**	**$ 38,161,884**	**$ 20,291,749**	**$ (3,102,913)**	**$ (31,692,043)**	**$ -**	**$ 6,585,267**	**$152,140,413**
Surplus (Deficit)	**$ -**	**$ -**	**$ (20,291,749)**	**$ 3,102,913**	**$ 22,497,211**	**$ -**	**$ (176,156)**	**$ 5,132,219**

CITY OF BRANDON
ANALYSIS OF TAXES ON ROLL
December 31, 2025

SCHEDULE 11

	2025	2024
Balance, beginning of year	**$ 3,887,181**	$ 4,158,006
Add:		
Tax levy (Schedule 12)	102,862,623	96,985,830
Taxes added	1,008,092	1,057,097
Penalties or interest	640,458	618,584
Other accounts added	1,260,600	810,458
Sub-total	**105,771,773**	99,471,969
Deduct:		
Cash collections - current	84,923,677	75,292,204
Cash collections - arrears	3,557,975	3,820,626
Writeoffs	632,566	274,961
Tax discounts	54,855	64,483
E.P.T.C. - cash advance	22,146	3,460,831
H.A.T.C	15,015,841	16,336,760
Other credits	552,753	492,929
Sub-total	**104,759,813**	99,742,794
Balance, end of year	**$ 4,899,141**	$ 3,887,181

CITY OF BRANDON **SCHEDULE 12**

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2025

	2025			2024
	Assessment	**Mill Rate**	**Levy**	Levy
Debt charges:				
LID	3,476,968,690	0.518	1,801,070	1,802,571
Other (specify)	3,136,165,310	0.381	1,194,878	1,195,308
sub-total - Debt charges			2,995,948	2,997,879
Reserves:				
Various	3,136,165,310	2.913	9,135,650	8,142,120
General municipal	3,136,165,310	12.929	40,549,857	38,042,347
Special levies:				
Department of Rural Development	3,136,165,310	0.224	702,501	701,403
School Portion - Mobile home revenue			(498,481)	(503,722)
sub-total - Special levies			204,020	197,681
Business tax (1%)	8,722,000	1.000	87,220	95,054
Total municipal taxes (Schedule 2)			**52,972,695**	49,475,081
Education support levy	859,251,150	7.117	6,115,290	6,513,587
Special levies:				
Brandon School Division	3,066,699,570	14.090	43,209,797	40,428,018
Community Revitalization	3,129,160	21.210	66,360	65,422
Mobile home revenue			498,481	503,722
sub-total - Special levies			43,774,638	40,997,162
Total education taxes			**49,889,928**	47,510,749
Total tax levy (Schedule 11)			**$ 102,862,623**	$ 96,985,830

CITY OF BRANDON **SCHEDULE 13**

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
General government services		
Legislative	**$ 627,416**	$ 616,365
General administrative	**8,540,358**	8,188,821
Other	**2,815,374**	2,255,276
	11,983,148	11,060,462
Protective services		
Police	**25,102,132**	23,184,190
Fire	**12,581,893**	12,071,803
Emergency measures	**6,036,422**	5,074,812
Other	**1,887,377**	1,800,324
	45,607,824	42,131,129
Transportation services		
Road transport		
Administration and engineering	**7,277,915**	5,179,383
Road and street maintenance	**239,738**	3,541,729
Bridge maintenance	**-**	-
Sidewalk and boulevard maintenance	**164,807**	237,455
Street lighting	**1,088,464**	1,073,795
Other	**3,305,928**	2,996,955
Air transport	**2,082,408**	1,977,047
Public transit	**8,896,774**	6,888,781
Other	**-**	-
	23,056,034	21,895,145
Environmental health services		
Waste collection and disposal	**3,813,148**	3,640,701
Recycling	**2,793,359**	2,691,555
Other	**-**	-
	6,606,507	6,332,256
Public health and welfare services		
Public health	**522,781**	540,300
Medical care	**-**	-
Social assistance	**267,032**	267,032
Other	**-**	-
	789,813	807,332
Regional planning and development		
Planning and zoning	**601,033**	626,766
Urban renewal	**4,018,839**	5,913,371
Beautification and land rehabilitation	**-**	-
Urban area weed control	**-**	-
Other	**627,422**	569,462
	5,247,294	7,109,599
Resource conservation and industrial development		
Rural area weed control	**-**	-
Drainage of land	**-**	-
Veterinary services	**-**	-
Water resources and conservation	**-**	-
Regional development	**540,950**	541,118
Industrial development	**-**	-
Tourism	**328,593**	235,277
Other	**-**	-
	869,543	776,395
Sub-totals forward	**94,160,163**	90,112,318

CITY OF BRANDON **SCHEDULE 13**

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2025

	2025 Actual	2024 Actual
Sub-totals forward	**94,160,163**	90,112,318
Recreation and cultural services		
Administration	**1,728,200**	1,428,845
Community centers and halls	**70,000**	60,000
Swimming pools and beaches	**424,445**	375,309
Golf courses	**145,548**	132,679
Skating and curling rinks	**-**	-
Parks and playgrounds	**4,484,167**	3,942,524
Other recreational facilities	**5,184,400**	4,231,560
Museums	**389,416**	382,001
Libraries	**1,061,118**	1,067,213
Other cultural facilities	**1,115,654**	1,195,268
	14,602,948	12,815,399
Total expenses	**$108,763,111**	$ 102,927,717

CITY OF BRANDON **SCHEDULE 14**

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2025

	2025			2024
	General	**Utility**	**Total**	Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	$ -	$ 2,910,731	**$ 2,910,731**	$ 2,475,583
Adjustments for reporting under public sector accounting standards				
Eliminate interfund transfers	-	-	**-**	-
Eliminate expense - transfers to reserves	23,087,588	13,219,865	**36,307,453**	31,885,699
Eliminate revenue - transfers from reserves	(24,521,989)	(6,253,023)	**(30,775,012)**	(24,683,504)
Increase revenue - reserve funds interest (and other income)	571,829	-	**571,829**	2,574,829
Increase (Decrease) revenue - net surplus (deficit) of consolidated entities	(176,156)	-	**(176,156)**	1,830,603
Increase (Decrease) revenue - developer contributed tangible capital assets	531,734	-	**531,734**	3,653,768
Increase expense - amortization of tangible capital assets	(11,440,865)	(8,230,999)	**(19,671,864)**	(18,338,029)
Increase (Decrease) revenue - disposed capital assets net book value	(351,357)	-	**(351,357)**	(410,303)
Eliminate expense - acquisitions of tangible capital assets	33,152,628	26,411,364	**59,563,992**	48,907,081
Increase (Decrease) revenue - funded acquisitions of tangible capital assets	(7,708,025)	(15,296,004)	**(23,004,029)**	(20,310,211)
Decrease expense - principal portion of debenture debt	2,450,952	1,258,668	**3,709,620**	3,571,318
Decrease (increase) expense - accrued interest portion of debenture debt	(636,495)	29,787	**(606,708)**	61,981
Increase expense - accretion of asset retirement obligations	(412,244)	(207,641)	**(619,885)**	(703,088)
Decrease (Increase) expense - decrease (increase) salary liabilities	(412,211)	(97,018)	**(509,229)**	(447,922)
Decrease (Increase) expense - bad debt (recoveries)	301,551	-	**301,551**	455,186
Eliminate - other (tax asset, miscellaneous)	121,176	4	**121,180**	(90,087)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	$ 14,558,116	$ 13,745,734	**$ 28,303,850**	$ 30,432,904